

## BEFORE THE POSTAL

## REGULATORY COMMISSION

**WASHINGTON, D.C. 20268 B0001**

## Station and Branch Optimization and

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**Docket No. N2009-1**

**AFFIRMATIVE REBUTTAL TESTIMONY OF**

**MARIO PRINCIPE**

**ON BEHALF OF**

**ASSOCIATION OF UNITED STATES POSTAL LESSORS (AUSPL)**

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**1            AUTOBIOGRAPHICAL SKETCH**

**2            My name is Mario Principe. I retired from the Postal Service in 1991**  
**3   after 38 years of federal service. I am currently the Director of Lessor Affairs**  
**4   for the Association of United States Postal Lessors (AUSPL) and also serve as**  
**5   the Post Office Continuance Coordinator for the National League of Postmasters**  
**6   (League).**

**7            I served two years in the United States Army after graduation from**  
**8   high school and upon discharge in 1956 went to work as a letter carrier at the**  
**9   North Hollywood, CA Post Office. I held various field management positions in**  
**10   what is now the Van Nuys District while going to college at night and earning my**  
**11   Associate's Degree. I served as carrier supervisor, station manager, and manager**  
**12   of delivery and collection; was part of the sectional center city route inspection**  
**13   team for many years; and represented management in local labor contract**  
**14   negotiations.**

**15           In 1971 I was selected as one of 12 postal managers to represent the**  
**16   Postal Service in a joint effort to improve postal service in Brazil, South America**  
**17   through a unique Peace Corps program, and was elected team leader. This was**  
**18   the first program of its kind ever undertaken by the Postal Service.**

**19           In 1975 I was selected as a master instructor for the original Management**  
**20   Action Series Program of the Postal Service Training and Development Institute's**

21 Management Academy. In addition to being an instructor, I developed training  
22 material, some of which became college accredited. This required a move to  
23 Washington, DC.

24 I was promoted and served at Postal Service Headquarters for the  
25 remainder of my postal career. I managed many national programs and assisted  
26 on grievances submitted by the National Association of Letter Carriers at the  
27 national level. I served as national coordinator for the 1980 Census and received  
28 a Meritorious Service Award for my efforts. I also was very active in the develop-  
29 ment and final implementation of computerized operations for retail window  
30 clerks.

31 I was assigned post office closing duties in 1985 and served in this capacity  
32 for about four years. I reviewed each discontinuance case for compliance with  
33 federal law and for technical accuracy before submitting the documents to the  
34 Senior Assistant Postmaster General, Operations Group, for signature. Another  
35 part of my duties was to conduct annual nationwide post office closing training  
36 sessions for field managers.

37 I have been a consultant to the League since 1993 to help assure that  
38 the Postal Service complies with the law and its own guidelines concerning the  
39 emergency suspension of service and the permanent discontinuance of post  
40 offices. Because of my activities with the League, I have extensive knowledge of

**41 where I believe unjustified closings are occurring and other problem areas**  
**42 related to the closing or consolidation of post offices. I was hired by AUSPL**  
**43 in June of 2009 to help protect its members' interests. AUSPL has 3,300**  
**44 members who lease space to the Postal Service, and we provide approximately**  
**45 40 percent of leased space used to house various postal operations nationwide.**

**1 I. PURPOSE AND SCOPE OF AFFIRMATIVE REBUTTAL TESTIMONY**

**2 The purpose of this rebuttal testimony is to collectively rebut the direct**  
**3 testimony of Kimberly I. Matalik and Alice M. Vangorder before the Commission**  
**4 on September 30, 2009, and to show the failure of the current USPS station and**  
**5 branch closing proposal to provide continued effective service to customers of**  
**6 the Postal Service.**

**1 II. OVERVIEW**

**2 As testified by Kimberly I. Matalik, “The United States Postal Service  
3 is responsible for ensuring, in an economical way, that it maintains facilities  
4 of such character and in such locations that customers have ready access to  
5 essential postal services. Currently, the Postal Service operates a network with  
6 more than 27,200 Post Offices and 4,800 subordinate station and branch facilities  
7 through which it provides retail services that meet the needs of the mailing public.”**

**8 However, USPS handles the closure of the subordinate stations and  
9 branch offices differently from the closure of the independent post offices, even  
10 though the mailing public has no knowledge of the distinctive closing procedure  
11 applied and implemented by the Postal Service. As far as the mailing public  
12 is concerned, a postal station or branch post office is the same as an  
13 independent post office, and the public deals with both in the same manner.**

1    **III.    DEFINITIONS AND CLARIFICATIONS**

2            **The following represent definitions of types of post offices and the**  
3 **term “discontinuance”:**

4    **Independent post office – A facility that provides postal services to a community**  
5 **and is headed by a postmaster.**

6    **Classified station – A postal unit administered by a post office and operated by**  
7 **a postal manager who reports to a postmaster, located within a city’s limits.**  
8 **Within this document simply termed a “station.”**

9    **Classified branch – A postal unit administered by a post office and operated by**  
10 **a postal manager who reports to a postmaster, located outside a city’s limits.**  
11 **Within this document simply termed a “branch.”**

12 **Community Post Office – A contract facility established in a community after**  
13 **an independent post office is officially consolidated by completing the permanent**  
14 **discontinuance process required by law.**

15 **Discontinuance – A closing or consolidation of a postal facility.**

16            **The following represent clarifications of actions taken to discontinue**  
17 **various types of postal facilities:**

18            **In a proposed discontinuance of an independent post office, there is a**  
19 **federal law requiring that the facility may not be discontinued solely because**  
20 **it is not self-sustaining. The proposed discontinuance of a station, branch, or**



21 community post office has no such protection.

22           When proposing to discontinue an independent post office, the Postal  
23 Service must consider the postal and non-postal needs of the community.  
24 When proposing to discontinue a station, branch, or community post office,  
25 the Postal Service appears only to go through the formality of conducting a  
26 community meeting and/or providing questionnaires, without any real interest  
27 in considering what customers have to say. When asked at the September 30,  
28 2009 Postal Regulatory Commission Hearing what weight customer input had  
29 in the decision to close or consolidate a station or branch, Kimberly I. Matalik,  
30 who is USPS' Program Manager for the Post Office Discontinuance Program  
31 and assigned responsibility for managing the Station and Branch Optimization  
32 and Consolidation Initiative, answered "none." AUSPL believes the Commission  
33 should ask the Postal Service why it provides questionnaires or conducts  
34 community meetings if the comments and concerns of customers are not consid-  
35 ered in the decision-making process.

36           When proposing to discontinue an independent post office, the Postal  
37 Service must post a written proposal for 60 days with an invitation for public  
38 comments. Additionally, all written documentation must be listed in chrono-  
39 logical order and be available to all affected customers upon their request.  
40 No such protection exists in the case of a proposal to discontinue a station,

**41 branch, or community post office.**

**42           In the case of a final decision to discontinue an independent post office,  
43 the Postal Service must prominently post at the affected post office a written  
44 document called a Final Determination, containing sections on Postal Needs,  
45 Effect on the Community, Economic Savings, Effect on Employees, and Other  
46 Factors. All customer concerns and comments must have received a response,  
47 and the actual questionnaires and all written correspondence must be included  
48 in the file and made available at the request of affected customers. Additionally,  
49 customers must be provided with instructions on how they may appeal the final  
50 decision of the Postal Service to the Postal Regulatory Commission. In the case  
51 of a final decision to discontinue a station, branch, or community post office,  
52 the Postal Service may simply notify customers of the effective date of the  
53 discontinuance and where postal services can be obtained. The customers have  
54 no appeal rights to the Postal Regulatory Commission.**

**1 IV. RESPONSES TO QUESTIONS AT SEPTEMBER 30, 2009 HEARING,  
2 AND ADDITIONAL QUESTIONS**

**3 Kimberly I. Matalik, when asked what weight customer input has in the  
4 decision on whether or not a (station, branch, or community post office) facility  
5 should remain open or discontinued, responded “none.”**

**6 In her written testimony, Kimberly I. Matalik provided that some 95  
7 stations and branches were officially closed during FY 2005-2008. When  
8 asked if she could recall how many requests to discontinue a station or branch  
9 submitted to her office preceding these closures were disapproved, her reply  
10 was “none.” AUSPL believes the Commission should be very concerned that  
11 Postal Service Headquarters will “rubber stamp” any proposal in order to save  
12 dollars, especially since affected customers have no appeal rights to the Postal  
13 Regulatory Commission.**

**14 In her written testimony, Alice M. Vangorder stated that “No facility  
15 will be consolidated unless a study demonstrates an opportunity for efficiency  
16 gains while maintaining ready access to adequate service.” The law requires  
17 that a maximum degree of regular and effective service be provided to customers  
18 of small independent post offices. Are customers of stations and branches and  
19 rural customers served by a community post office, who have no such protection  
20 of “maximum” service, less equal than other customers? Is that an appropriate**

20 way for the Postal Service to treat postal customers in its mandate to provide  
21 universal service?

22       AUSPL believes that the Commission should also be concerned with  
23 the callous manner and poor business practices demonstrated by the Postal  
24 Service during this entire station and branch initiative. When asked if districts  
25 were instructed to notify lessors that their facilities were being considered for  
26 discontinuance, Kimberly Matalik indicated that such a requirement was not  
27 included in the process. This oversight, along with my previous testimony at  
28 Independence, OH concerning lessor issues and dealings, is totally unwarranted,  
29 especially from a venerable institution like the Postal Service.

30       Following are additional questions (not answered by Kimberly I. Matalik  
31 and Alice M. Vangorder):

32       How are the removal of some 150,000 collection boxes and the discontinu-  
33 ance of stations or branches in city and suburban areas not a severe reduction  
34 in service? There will always be customers, now and in the near and distant  
35 future, who are not mobile and most likely never will have access to alternate  
36 means of obtaining postal services. Customers do not want to leave outgoing  
37 mail in or affixed to their mailbox for carrier pickup because of the fear of  
38 identity theft, theft of mail containing checks, or vandalism. Additionally, it is  
39 unrealistic to think that the Postal Service will be able to capture any workhour

**40 savings by removing these collection boxes.**

**41           What is the Postal Service’s national policy on renewing leases on  
42 independent post office facilities?**

**43           What is the Postal Service’s national policy on renewing leases on  
44 station and branch facilities?**

**45           What is the Postal Service’s national policy on renewing leases on  
46 community post offices?**

**47           Why does the Postal Service deem it unnecessary to notify lessors that  
48 their facility is being considered for discontinuance?**

**49           Are field discontinuance review teams required to consider the length  
50 of time left on a lease before a facility is considered for discontinuance?**

**51           Are field discontinuance teams required to review a facility’s lease terms  
52 to see if there is a termination clause before considering it for discontinuance?**

**53           What are the ramifications of a lessor refusing to pay a realtor’s fee for  
54 representing the Postal Service? Will the facility be suspended under so-called  
55 emergency conditions?**

**1 V. SUMMARY AND CONCLUSION**

**2 AUSPL believes it is reasonable that lessors of postal buildings be**  
**3 immediately notified that their facility is being considered for discontinuance.**

**4 We believe it is reasonable that all written documentation be made**  
**5 available to affected lessors or customers at their request if their facility of**  
**6 any type is being considered for discontinuance.**

**7 Additionally, we believe the Commission should consider asking the**  
**8 Postal Service what criteria it uses when making a decision on establish-**  
**9 ing a new branch versus a new independent post office. Both types**  
**10 of facilities are located outside a city's limits, look the same, and provide the**  
**11 same services. Between September 1, 1999, and September 1, 2009, only nine**  
**12 independent post offices were established: five in New York, two in Florida,**  
**13 one in California, one in Kentucky, and one in New Jersey. There has been**  
**14 tremendous population growth over this same period, so it is probable that**  
**15 even more stations and branches have been established nationwide. We believe**  
**16 it is important for the Commission to consider this, because it is apparent**  
**17 customers served by different types of facilities receive unequal treatment**  
**18 should their facility be considered for closing or consolidation in the future.**  
**19 Customers have the same needs from a post office no matter what their**

20 facility is designated. The elderly, infirm, and other customers of Postal  
21 Service stations and branches—and community post offices—are no  
22 different, no matter what the facility is named.

23       Finally, it should be noted that New Jersey Congressman Albio Sires  
24 earlier this year introduced H.R. 658, the Access to Postal Services Act. This  
25 resolution includes stations and branches under the umbrella of the post office  
26 closing rules as well as requires other changes benefiting customers. As of  
27 October 9, 2009, there were 91 co-sponsors of this legislation.

28       Thank you for the opportunity to express our questions, comments,  
29 and concerns.